

SESSION OF 2020

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 287**

As Recommended by Senate Committee on  
Agriculture and Natural Resources

**Brief\***

SB 287 would amend the Kansas Storage Tank Act (Act) to extend from July 1, 2020, to June 30, 2030, the sunset for certain petroleum storage tank owners and operators to apply for reimbursement for the replacement of single-wall underground storage tanks.

The bill would also extend from June 30, 2020, to June 30, 2020, the sunset for owners and operators to apply for reimbursement for the replacement of underground single-wall storage tank systems with a secondary containment system.

The bill would increase the reimbursement limit to an amount no more than \$100,000 per facility for replacement work completed on and after July 1, 2020, and before July 1, 2030. The bill would also clarify the \$50,000 reimbursement limit in current law would apply to replacement work completed on and after August 8, 2005, and before July 1, 2020.

The bill would also make technical changes.

---

\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced by the Senate Committee on Agriculture and Natural Resources at the request of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas).

In the Senate Committee hearing, a representative of the PMCA of Kansas testified as a proponent. The representative stated the extension of the sunset in the bill would allow the State to continue to reimburse storage tank owners for making mandated updates that can cost certain owners up to \$400,000. A representative of the Kansas Grain and Feed Association, the Kansas Agribusiness Retailers Association, and the Renew Kansas Biofuels Association and a representative of the Kansas Department of Health and Environment (KDHE) also testified as proponents. Representatives of Casey's General Stores, Inc., Dillons Stores, and the Kansas Cooperative Council provided written-only proponent testimony. No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, KDHE estimates the increase in reimbursement to owners would increase expenditures from the Underground Storage Tank Redevelopment Fund (UST Fund) by \$250,000 in FY 2021. Such expenditures would be offset by an identical amount of revenue deposited into the UST Fund from a \$0.01 fee on each gallon of petroleum product manufactured in or imported into Kansas. KDHE estimates ongoing reimbursements to owners could increase by \$400,000 annually. KDHE indicates the bill would not change the \$3.0 million per fiscal year annual UST expenditures limit, subject to moneys available in the UST Fund. KDHE indicates it would not require additional operating expenditures to administer the Act. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.